

Consumers Illinois Water Company
Legal Description of Service Area

EXHIBIT C

Legal Description

The East half of Section 14, Township 35 North,
Range 10 East of the 3rd Principle Meridian

Consumers Illinois Water Company
Capital Structure

Exhibit D

	Actual 7/31/2003
Short-Term Debt	<u>\$ 16,155,000</u>
Long- Term Debt	42,783,334
Preferred Stock	380,700
Common Equity	47,098,043
Total Capital	<u><u>\$ 106,417,077</u></u>

Consumers Illinois Water Company
Acquisition Savings

EXHIBIT E

	Annual (<i>net</i>)
Material and Supplies (<i>mass purchasing</i>)	358
Contract Services:	
Operator	2,705
Testing	4,500
Sub total	<u>7,205</u>
Rental:	
Buildings	1,785
Equipment	1,841
Property	3,720
Sub total	<u>7,347</u>
TOTAL	<u><u>14,910</u></u>
 10-YEAR TOTAL (<i>without inflation</i>)	 \$ 149,096

Consumers Illinois Water Company
Cost of Acquisition

EXHIBIT F

	One-time Cost
Legal Fees:	
Regulatory	15,000
Environmental	8,000
Purchase Agreement/Closing	<u>5,000</u>
Sub total	28,000
Organization:	
Due Diligence	16,500
Engineering/CAD	10,000
Customer Accounts - Transfer	<u>1,000</u>
Sub total	27,500
 10-Year Total	 <u><u>\$ 55,500</u></u>

EXHIBIT G

REQUIRED PLANT SURCHARGE (RPS)

Total Water Plant Construction Costs: \$ 300,750

YEAR	RPS CAPITAL BALANCE	RPS CARRYING COST LESS ACQ. ADJ. AT 9.41% RATE OF RETURN (C)	TOTAL RPS CAPITAL & CARRYING COST	SYSTEM CUSTOMERS (A)	RPS CAPITAL RECOVERY REVENUE** (B) = (A) x 270.95	RPS CARRYING COST RECOVERY REVENUE*** (D) = (A) x \$102.82	TOTAL RECOVERY REVENUE (E) = (B) + (D)
0	\$ 300,750		\$ 300,750 *				
1	\$ 270,675	\$ 24,149	\$ 294,824	111	\$ 30,075	\$ 11,413	\$ 41,488
2	\$ 240,600	\$ 21,318	\$ 261,918	111	\$ 30,075	\$ 11,413	\$ 41,488
3	\$ 210,525	\$ 18,488	\$ 229,013	111	\$ 30,075	\$ 11,413	\$ 41,488
4	\$ 180,450	\$ 15,658	\$ 196,108	111	\$ 30,075	\$ 11,413	\$ 41,488
5	\$ 150,375	\$ 12,828	\$ 163,203	111	\$ 30,075	\$ 11,413	\$ 41,488
6	\$ 120,300	\$ 9,998	\$ 130,298	111	\$ 30,075	\$ 11,413	\$ 41,488
7	\$ 90,225	\$ 7,168	\$ 97,393	111	\$ 30,075	\$ 11,413	\$ 41,488
8	\$ 60,150	\$ 4,338	\$ 64,488	111	\$ 30,075	\$ 11,413	\$ 41,488
9	\$ 30,075	\$ 1,508	\$ 31,583	111	\$ 30,075	\$ 11,413	\$ 41,488
10	\$ -	\$ (1,323)	\$ (1,323)	111	\$ 30,075	\$ 11,413	\$ 41,488
TOTALS:		\$ 114,130		1110	\$ 300,750	\$ 114,130	\$ 414,880

Required Plant Surcharge (B+D)/A = \$ 373.77 per Customer per Year
or
\$ 31.15 per Customer per Month

*Note:

Initial Capital Balance equal Total Water Plant Construction Costs

**Note:

RPS Capital Recovery Factor equals Total Water Plant Construction Cost divided by Total Customers =
\$300,750/1110 = \$270.95/customer/year.

***Note: RPS Carrying Cost Recovery Factor equals (Total Carrying Costs less Negative Amortization of Acquisition Adjustment) divided by Total Customers = (\$141,503-\$27,375)/1110 = \$102.82/customer/year.

Consumers Illinois Water Company
Required Plant List
with Cost

EXHIBIT H

Compliance Items:

Account Description	Estimated Cost
304 Structures & Improvements	38,750
309 Supply Mains	25,250
310 Power Generation Equipment	38,750
320 Treatment Equipment	9,250
330 Distribution Reservoirs and Standpipes	29,500
Sub total	141,500

Other Required Plant Improvements:

Account Description	Estimated Cost
331 Mains	64,750
333 Services	32,750
334 Meters	61,750
Sub total	159,250

Total	<u><u>\$ 300,750</u></u>
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Consumers Illinois Water Company

EXHIBIT I

OAKVIEW ACQUISITION ACCOUNTING ENTRIES TO RECORD INITIAL PURCHASE WATER SYSTEM

<u>Account</u>	<u>Utility Plant in Service</u>		<u>Debit</u>	<u>Credit</u>
104	Utility Plant Purchased or Sold		-	\$ 27,375
301	Organization		-	
303	Land & Land Rights		338	
304-15	Structures & Improvements- Pumping Plant	\$	109	
304-30	Structures & Improvements- Water Treatment Plant	\$	420	
307	Wells & Springs	\$	13,843	
310	Power Generation Equipment			
311	Pumping Equipment	\$	1,264	
320	Water Treatment Equipment	\$		
330	Distribution Reservoirs & Standpipes	\$		
331	Mains	\$	38,791	
333	Services	\$		
334	Meters	\$		
335	Hydrants	\$		
339	Other Plant & Misc. Equipment	\$	1,742	
 <u>Reserve for Depreciation & Contributed Property</u>				
108	Organization		-	-
108	Structures & Improvements- Pumping Plant		-	\$
108	Structures & Improvements- Water Treatment Plant		-	\$
108	Wells & Springs		-	\$ 820
108	Power Generation Equipment		-	
108	Pumping Equipment		-	\$ 52
108	Water Treatment Equipment		-	\$
108	Distribution Reservoirs & Standpipes		-	\$
108	Mains		-	\$ 1,510
108	Services		-	\$
108	Meters		-	\$
108	Hydrants		-	\$
108	Other Plant & Misc. Equipment		-	\$ 105
131	Cash		-	\$ 26,645
		\$	<u>56,507</u>	\$ <u>56,507</u>

Consumers Illinois Water Company

EXHIBIT I

Summary Accounting Entry to Record Initial Purchase

<u>Account</u>	<u>Description</u>		<u>Debit</u>	<u>Credit</u>
Various	Utility Plant in Service	\$	56,507	
108	Accumulated Depreciation			\$ 2,487
104	Utility Plant Purchased or Sold			\$ 27,375
131	Cash			\$ 26,645

This is a summary of the accounting entries on Exhibit I, Page 1.

Journal Entry # 1

<u>Account</u>	<u>Description</u>		<u>Debit</u>	<u>Credit</u>
104	Utility Plant Purchased or Sold	\$	27,375	-
114	Utility Plant Acquisition Adjustment		-	\$ 27,375

To record transfer of purchased Utility to acquisition adjustment account in accordance wit USOA Accounting Instruction 21, B.

Journal Entry # 2

115	Accum. Amort. Of Utility Plant Acq. Adj.	\$	2,737	-
406	Amortization Of Utility Plant Acquisition Adjustments		-	\$ 2,737

Annual entry to record the amortization of acquisition adjustment using a 10 year life.

Journal Entry # 3

114	Utility Plant Acquisition Adjustment	\$	27,375	-
115	Accum. Amort. Of Utility Plant Acq. Adj.		-	\$ 27,375

Entry at the end of amortization period.

Consumers Illinois Water Company
Rate Base Items

EXHIBIT J

Known ICC Rate Base:

(2002 ICC Annual Report, for period through 12/31/2002)

			Year Installed	Depreciation ¹	Rate Base Net of Depreciation
Plant Account Description	Amount	Comments			
304 Structures and Improvements	\$ 109				\$ 109
307 Wells and Springs	\$ 183	Well #3			\$ 183
309 Supply Mains					
310 Pumping Equipment	\$ 404				\$ 404
331 Transmission Distribution and Mains	\$ 13,616				\$ 13,616
			Sub total		\$ 14,311

Prior Lease-Hold Interests Acquired by CIWC:

Plant Account Description	Amount				
303 Land and Land Rights	338	412 Oakview Ave., PIN 7-14-401-001	1957	0%	338
304 Structures and Improvements	420	New Well House	2003	3%	420
307 Wells and Springs	13,660	Well # 4	2001	3%	12,840
309 Supply Mains		Included in Well #4			
310 Pumping Equipment	860	Booster Pump	2001	3%	808
331 Transmission Distribution and Mains	25,175	670 LF 4" C900 PVC Main	2001	3%	23,665
339 Other Plant and Miscellaneous Equip	1,742	Pressure Chart Recorders	2002	3%	1,637
		Chemical Feed Pumps & Day Tanks			
Sub total	\$ 42,195		Sub total		39,709
Total	<u>\$ 56,506</u>		Total		<u>\$ 54,020</u>

¹ Composite depreciation rate used